

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6928

BILL NUMBER: HB 1300

DATE PREPARED: Feb 22, 2002

BILL AMENDED: Feb 21, 2002

SUBJECT: Motor Vehicle Plates.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill prohibits the Bureau of Motor Vehicles (BMV) from imposing a pull service charge for a low numbered Former Prisoner of War passenger motor vehicle license plate. It provides that a personalized license plate is valid for five years. The bill requires renewal of registration of a personalized license plate to be completed by October 31 of the year before issuance of the personalized license plate or any indicia of renewal of registration. It makes conforming amendments.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) The Bureau of Motor Vehicles (BMV) reports that making the personalized license plate valid for five years and allowing the registration of a personalized license plate to be completed by October 31 of the year before issuance of the personalized plate can be accomplished with no additional cost. The fund affected is the Motor Vehicle Highway Account (MVHA) which supports the BMV.

Providing that a personalized license plate is valid for five years will reduce the costs associated with their production. Currently, the personalized license plate is valid for one year, and the holder of the plate receives a new plate every year. In CY 2000, there were 45,413 personalized license plates issued. At \$3.80 per plate, the BMV would save an estimated \$172,569 per year for four years, or \$690,276 in total. The fund affected is the MVHA. Monthly stickers would be issued in lieu of a new plate.

Explanation of State Revenues: (Revised) Prohibiting the imposition of a pull service charge for a low numbered Former Prisoner of War passenger motor vehicle license plate will mean a reduction in revenue for the State License Branch Fund estimated at \$24,450. Currently, the service charge is \$30. In CY 2000, there were 815 Former Prisoner of War passenger motor vehicle license plates issued.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Department of Correction (PEN Products).

Local Agencies Affected:

Information Sources: Melanie Schwartz, Deputy Commissioner of the Bureau of Motor Vehicles, 233-1218; Becky Gillam, Sales and Marketing Director of PEN Products, 388-8580, ext. 220; Bureau of Motor Vehicles Cash Audit for 2000.